

Message Text

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ORIGIN NEA-11

INFO OCT-01 EUR-12 ISO-00 AID-05 CIAE-00 COME-00 EB-08
FRB-03 INR-10 NSAE-00 ICA-11 TRSE-00 XMB-02
OPIC-03 SP-02 LAB-04 SIL-01 OMB-01 DODE-00 PM-05
H-01 L-03 NSC-05 PA-01 SS-15 SIG-03 CEA-01 STR-07
DOE-15 SOE-02 /132 R

DRAFTED BY NEA/RA:DTMORRISON:USDOC/TR:VROCQUE:SEB
APPROVED BY NEA/RA:WDOZIER
EUR/NE:DGOODMAN (DRAFT)
USDOC/TR:SMARCUSS
L/NEA:MPEAY (DRAFT)
EB/BP:TSCHLENKER

-----118749 171222Z /45

R 162129Z MAY 78
FM SECSTATE WASHDC
TO AMEMBASSY LONDON
INFO AMEMBASSY BONN
AMEMBASSY BRUSSELS
AMEMBASSY COPENHAGEN
AMEMBASSY DUBLIN
AMEMBASSY LUXEMBOURG
AMEMBASSY PARIS
AMEMBASSY THE HAGUE
AMEMBASSY TEL AVIV

C O N F I D E N T I A L STATE 124709

E.O. 11652: GDS

TAGS:

SUBJECT: ARAB BOYCOTT: REQUEST FOR U.S. TESTIMONY

REF: LONDON 6778

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1. ALTHOUGH JESS HORDES HAS RAISED WITH DEPUTY ASST SECY
MARCUS (PARA 5 REFTL) THE POSSIBILITY OF TESTIMONY
BEFORE HOUSE OF LORDS SELECT COMMITTEE, MARCUSS HAS NOT
RPT NOT INDICATED WHETHER HE WOULD APPEAR BEFORE THE
COMMITTEE IF INVITED.

2. FROM POINT OF VIEW OF U.S. ANTI-BOYCOTT POLICY, WE

WOULD LIKE TO PROVIDE TO BRITISH AND OTHERS WHATEVER INFORMATION MIGHT BE USEFUL IN HELPING THEM TO UNDERSTAND MEASURES TAKEN BY U.S. TO CURB INTRUSION OF BOYCOTT PRACTICES INTO U.S. COMMERCE. SUCH INFORMATION IN FORM OF TEXTS OF LAW AND REGULATIONS IS READILY AVAILABLE AND DOUBTLESSLY IS ALREADY IN THE HANDS OF THE SELECT COMMITTEE. WE ARE POUCHING TO LONDON (WITH COPIES TO INFO ADDRESSEES) A FULL SET OF COPIES OF EXPORT ADMINISTRATION ACT AND REGULATION AND ANOTHER SET OF COPIES OF TAX REFORM ACT OF 1976 ANTI-BOYCOTT PROVISIONS AND RELATED TREASURY GUIDELINES. THESE AND ADDITIONAL MATERIALS WHICH HELP TO EXPLAIN THE U.S. MEASURES (ALSO POUCHED) MAY BE GIVEN

TO THE SELECT COMMITTEE OR PROVIDED TO FCO WITH REQUEST THAT THEY BE GIVEN TO SELECT COMMITTEE.

3. ALTHOUGH WE WOULD WELCOME UK DECISION (OR THIRD COUNTRY DECISIONS) TO ENACT ANTI-BOYCOTT MEASURES SIMILAR TO OUR OWN, WE DO NOT BELIEVE THAT FORMAL TESTIMONY BY U.S. OFFICIAL BEFORE BRITISH SELECT COMMITTEE WOULD SERVE TO ADVANCE THIS INTEREST. INSTEAD, WE PREFER TO USE REGULAR DIPLOMATIC CHANNELS AUGMENTED ON OCCASIONS PRESENTED HERE OR IN UK FOR INFORMAL DISCUSSIONS BETWEEN U.S. OFFICIALS AND BRITISH OFFICIALS OR LEGISLATORS HAVING INTEREST IN THESE DEVELOPMENTS. USING THESE MEANS, WE INTEND TO MAINTAIN EFFECTIVE DIALOGUE WITH UK ON APPROACH WE ARE CONFIDENTIAL

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TAKING TO DEAL WITH BOYCOTT PROBLEM.

4. RE ASSESSMENT OF IMPACT OF U.S. ANTI-BOYCOTT MEASURES ON U.S. COMMERCIAL INTERESTS, WE ARE NOT RPT NOT AT PRESENT IN A POSITION TO PROVIDE MUCH INFORMATION. THERE HAS BEEN A DECLINING TREND OVER PAST TWO YEARS IN STATISTICS REFLECTING NUMBER OF BOYCOTT REQUESTS RECEIVED AND REPORTED BY U.S. FIRMS TO DEPARTMENT OF COMMERCE. ALSO, IN GENERAL, THERE HAS BEEN A PATTERN OF CHANGE IN COMMERCIAL PRACTICES (E.G., SHIPPING DOCUMENTS, LETTERS OF CREDIT) WHICH HAS BEEN HELPFUL TO MANY U.S. FIRMS IN CONFORMING THEIR BUSINESS DEALINGS TO THE NEW U.S. REQUIREMENTS. HOWEVER, UNTIL WE HAVE HAD SOME EXPERIENCE WITH ENFORCING U.S. ANTI-BOYCOTT MEASURES IN THE POST-JUNE 21 SECOND (AND LAST) PHASE OF ANTI-BOYCOTT PROHIBITIONS, IT IS PREMATURE FOR US TO TRY TO ASSESS COSTS AND BENEFITS OF IMPLEMENTING THESE MEASURES.

5. ON BASIS OF ABOVE CONSIDERATIONS AND ALSO TAKING INTO ACCOUNT EMBASSY'S ASSESSMENT THAT TESTIMONY WOULD NOT IMPROVE CHANCES OF SECURING PARLIAMENTARY APPROVAL OF ANTI-BOYCOTT MEASURES SIMILAR TO THOSE WHICH WE ARE NOW

IMPLEMENTING, WE WOULD LIKE EMBASSY TO INFORM SELECT COMMITTEE CONTACT THAT WE PREFER THAT SELECT COMMITTEE NOT RPT NOT EXTEND INVITATION TO USG TO PROVIDE TESTIMONY BEFORE SELECT COMMITTEE. YOU MAY ALSO INDICATE OUR WILLINGNESS TO MAKE AVAILABLE WHATEVER PUBLISHED INFORMATION WE HAVE WHICH COMMITTEE MIGHT FIND USEFUL IN UNDERSTANDING U.S. MEASURES. WHETHER CHANNEL FOR SUPPLYING SUCH INFORMATION SHOULD BE DIRECTLY FROM EMBASSY TO COMMITTEE OR VIA FCO, WE LEAVE TO EMBASSY'S DISCRETION.

6. WE BELIEVE IT LIKELY THAT ALL OR MOST OF CHANGES TAKING PLACE IN COMMERCIAL DOCUMENTATION IN TRANSACTIONS INVOLVING U.S. FIRMS MIGHT ALSO BE AVAILABLE TO FIRMS OF

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OTHER COUNTRIES, INCLUDING UK, IF GOVTS AND/OR FIRMS SOUGHT SIMILAR TREATMENT. EMBASSY SHOULD MAKE THIS POINT IN DISCUSSING BOYCOTT ISSUE WITH HMG OFFICIALS. VANCE

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Message Attributes

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